United Nations A/53/806

General Assembly

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Fifty-third session
Agenda items 30, 59 and 60

United Nations reform: measures and proposals

Question of equitable representation on and increase in the membership of the Security Council and related matters

Revitalization of the work of the General Assembly

Letter dated 25 January 1999 from the Chargé d'affaires of the Permanent Mission of Cuba and the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

We have the honour to transmit herewith the text of the Joint Cuban-Russian Declaration in Support of the United Nations, adopted in Moscow on 18 January 1999 (see annex).

We should be grateful if you would have this letter and its annex circulated as a General Assembly document, under agenda items 30, 59 and 60.

(Signed) Rafael **Dausá Céspedes**
Ambassador
Chargé d'affaires
of the Permanent Mission of Cuba to the United Nations

(*Signed*) Sergei **Lavrov**
Ambassador
Permanent Representative
of the Russian Federation to the United Nations

99-01979 (E) 290199 290199

Annex

Joint Cuban-Russian Declaration in Support of the United Nations, adopted in Moscow on 18 January 1999

The Ministers for Foreign Affairs of the Russian Federation and the Republic of Cuba, on behalf of their Governments, expressed their support for the United Nations as a unique universal international organization, responsible for uniting the efforts of the international community for the purpose of finding common approaches to the settlement of conflicts, offering collective responses to new global challenges, strengthening the system of international security and stability embodied in the Charter of the United Nations, promoting strict compliance with the guiding principles of international law, and guaranteeing sustainable economic development.

Pointing out that for over 50 years the United Nations has been playing the pivotal role in world affairs, the Ministers stressed that in today's world it is precisely this Organization that reflects the tendency to realize and strengthen the emerging potential of multipolarity in the modern world.

The Parties reiterated their conviction that, even though international relations are contentious and constructive at the same time, the fact that they are evolving towards multipolarity and approaching the ideals and objectives of the United Nations, as enunciated in the Charter, is promoting the establishment of a balanced, stable, democratic and conflict-free international system, on the basis of the principles of international law and of the Charter, which are an objective reflection of the vital interests of States, irrespective of size, might, or political, economic or social structure.

The Ministers expressed deep concern over efforts to subvert the system of international relations established after the Second World War on the basis of the principles of the Charter of the United Nations. They stressed that the principle of refraining from the use or threat of force or any other means of coercion or compulsion set forth in the Charter was binding, must be observed by all States and entailed a categorical prohibition on the use of any military-coercive action or any other type of action such as blockades, embargoes or other measures not approved by the international community. Exceptions to that prohibition are clearly and expressly stated in the Charter itself. Under the articles of the Charter, only the Security Council is empowered to approve the application of enforcement measures with a view to maintaining and restoring international peace and security.

The Parties are convinced that any attempt to circumvent the Security Council disrupts the existing mechanism for the maintenance of peace, causes chaos in international affairs and establishes the primacy of force over international law.

The Parties noted that one of the most important means of consolidating the role and prestige of the United Nations in the twenty-first century would be to reform the Organization in a rational, careful and thoughtful manner, bearing in mind the realities of today's world, so as to preserve its operating mechanisms whose effectiveness has been demonstrated in practice.

An important part in the process of United Nations reform must be played by improvements in the functioning of the Security Council. The Council's cardinal responsibility, as provided in the Charter, for the maintenance of international peace and security is not to be challenged under any circumstances. Any decision to expand the Security Council should, in the opinion of the Parties, be based on strict adherence to the principle of equitable geographical representation and should be based on broad agreement,

preferably on consensus among the States Members of the United Nations. At the same time, it is necessary to consider with the utmost seriousness any measures that would mean greater transparency in the work of the Security Council, since it operates on behalf of all the Members of the United Nations. Reform of the Council would help to make its work more effective and win it greater support from the international community.

The Ministers also expressed their conviction that the methods of work of the United Nations General Assembly must be improved.

The Ministers reiterated that support for the United Nations and the multilateral strengthening of the Organization were at the cornerstone of the foreign policies of the Russian Federation and Cuba.

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General Assembly

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Fifty-third session
Agenda items 10 and 48
Report of the Secretary-General on the work of the Organization
Report of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Letter dated 26 January 1999 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the Secretary-General

I have the honour to write to you in my capacity as Chairman of the Islamic Group at the United Nations and to express the Group's grave concern and outrage over the turn of events in Kosovo, in particular the cold-blooded massacre of 45 innocent Muslim civilians in the village of Racak on 15 January 1999, during the holy month of Ramadan.

The Islamic Group, viewing this tragic event as yet another indication of the ongoing Serbian policy of ethnic cleansing in Kosovo, has adopted a statement, the text of which I enclose for your perusal (see annex).

I should be grateful if you would kindly arrange for the present communication and its annex to be circulated as a document of the General Assembly under agenda items 10 and 48.

(Signed) Ali Fahad Faleh A. **Al-Hajri**
Chargé d'affaires *ad interim*
Permanent Mission of the State of Qatar to the United Nations
Chairman of the Islamic Group

99-01973 (E) 280199

Annex

Statement on the situation in Kosovo issued on 26 January 1999 by the Islamic Group at the United Nations in New York

The Islamic Group at the United Nations is gravely concerned about the developments in Kosovo, in particular the cold-blooded and premeditated massacre of 45 innocent Muslim civilians on 15 January 1999 in the village of Racak, during the holy month of Ramadan

The Islamic Group expresses deep shock and anger over the Racak massacre, which was reminiscent of the widespread crimes of genocide and ethnic cleansing witnessed in Bosnia and Herzegovina, and strongly condemns the massacre of innocent civilians and the ongoing Serbian policy of ethnic cleansing in Kosovo. The Islamic Group expresses its full solidarity with the people of Kosovo.

The Group:

(a) Strongly condemns crimes against humanity being committed by the Serbian security forces in Kosovo;

(b) Takes note of the statement by the President of the Security Council of 19 January 1999 (S/PRST/1999/2), which has been ignored by Belgrade;

(c) Urges the Security Council to take action under Chapter VII of the Charter of the United Nations to ensure the safety and security of all inhabitants of Kosovo, implementation by Belgrade of its undertakings and implementation of the demands of the Albanian leadership of Kosovo;

(d) Notes, with grave concern, the failure of the Belgrade authorities to cooperate with the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991, a further indication of their continuing violation of international law, of the relevant resolutions of the Security Council and of the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively the "Peace Agreement"), initialled at Dayton, United States of America;

(e) Demands full cooperation by Belgrade with the investigations being conducted by the International Tribunal into the Racak massacre, as well as into other crimes against humanity being committed by Serbian forces, and in bringing the criminals to justice;

(f) Also demands that Belgrade adhere to the need for the full protection of lives, and that it respect the rights and property of all inhabitants of Kosovo;

(g) Further demands the cessation of all atrocities and crimes against humanity by the Serbian forces;

(h) Further demands the withdrawal of all Serbian forces from Kosovo;

(i) Urges the international community to extend every possible form of humanitarian assistance to the oppressed people of Kosovo;

(j) Urges a just, comprehensive and peaceful solution of the crisis through dialogue, which should include representatives of all national communities of Kosovo.

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Fifty-third session
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Report of the Secretary-General on the work of the Organization

Report of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Letter dated 26 January 1999 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the Secretary-General

I have the honour to write to you in my capacity as Chairman of the Islamic Group at the United Nations and to express the Group's grave concern and outrage over the turn of events in Kosova, in particular the cold-blooded massacre of 45 innocent Muslim civilians in the village of Racak on 15 January, during the holy month of Ramadan.

The Islamic Group, viewing this tragic event as yet another indication of the ongoing Serbian policy of ethnic cleansing in Kosova, has adopted a statement, the text of which I enclose for your perusal (see annex).

I shall be grateful if you will kindly arrange for this communication and the enclosed statement to be circulated as official documents of the fifty-third session of the General Assembly, under agenda items 10 and 48.

(*Signed*) Ali Fahad Faleh A. **Al-Hajri**
Chargé d'affaires a.i.
Permanent Mission of the State of Qatar to the United Nations
Chairman of the Islamic Group

* Reissued for technical reasons

99-03006 (E) 050299

Annex

Statement of the Islamic Group at the United Nations on the situation in Kosova

The Islamic Group at the United Nations is gravely concerned about the developments in Kosova, in particular the cold-blooded and premeditated massacre of 45 innocent Muslim civilians in the village of Racak during the holy month of Ramadan on 15 January 1999.

The Islamic Group expresses deep shock and anger over the Racak massacre, which was reminiscent of the widespread crimes of genocide and ethnic cleansing witnessed in Bosnia and Herzegovina, and strongly condemns the massacre of innocent civilians and the ongoing Serbian policy of ethnic cleansing in Kosova. The Islamic Group expresses its full solidarity with the people of Kosova.

The Group:

i) Strongly condemns crimes against humanity being committed by the Serbian security forces in Kosova;

ii) Notes the Presidential Statement of the Security Council of 19 January 1999, which has been ignored by Belgrade;

iii) Urges the Security Council to take action under Chapter VII of the United Nations Charter to ensure the safety and security of all inhabitants of Kosova, implementation by Belgrade of its undertakings, and implementation of the demands of the Albanian leadership of Kosova;

iv) Also notes, with grave concern, the failure of the Belgrade authorities to cooperate with the International Criminal Tribunal for the Former Yugoslavia, a further indication of their continuing violation of international law, the relevant resolutions of the Security Council and of the Dayton Peace Agreement;

v) Demands full cooperation by Belgrade with the investigations being conducted by the International Criminal Tribunal for the Former Yugoslavia into the Racak massacre, as well as other crimes against humanity being committed by Serbian forces, and in bringing the criminals to justice;

vi) Demands that Belgrade adheres to the need for the full protection of lives, and that it respects the rights and properties of all inhabitants of Kosova;

vii) Demands the cessation of all atrocities and crimes against humanity by the Serbian forces;

viii) Demands the withdrawal of all Serbian forces from Kosova;

ix) Urges the international community to extend every possible humanitarian assistance to the oppressed people of Kosova; and

x) Urges for a just, comprehensive and peaceful solution of the crisis through dialogue, which should include representatives of all national communities of Kosova.

New York, 26 January 1999

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27 January 1999

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GENERAL ASSEMBLY
Fifty-third session
Agenda item 62
QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-fourth year

Letter dated 26 January 1999 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 26 January 1999, addressed to you by His Excellency Mr. Aytuğ Plûmer, Representative of the Turkish Republic of Northern Cyprus (see annex).

I should be grateful if the text of the present letter and its annex could be circulated as a document of the General Assembly, under agenda item 62, and of the Security Council.

(Signed) Volkan VURAL
Ambassador
Permanent Representative

Annex

Letter dated 26 January 1999 from Mr. Aytuğ Plümer addressed to the Secretary-General

Upon instructions from my Government, I have the honour to refer to the letters dated 16 and 18 December 1998 and 13 January 1999 (A/53/761-S/1998/1189, A/53/765-S/1998/1209 and A/53/798-S/1999/57, respectively), addressed to you by the Greek Cypriot representative at the United Nations, which contain allegations of "violations of the airspace of the Republic and of the flight information region of Nicosia".

I would like to recall that similar charges on so-called "airspace and FIR violations" were rejected in toto in our previous communications addressed to you, most recently in my letter dated 14 December 1998 (A/53/749-S/1998/1171). Suffice it to say that flights within the sovereign airspace and flight information region of the Turkish Republic of Northern Cyprus take place with the full knowledge and consent of the appropriate authorities of the State over which the usurper Greek Cypriot regime in the South has no jurisdiction or right of say whatsoever.

As expressed previously, through such allegations, the Greek Cypriot side aims to provide a smokescreen for its policy of escalation and tension on the island, which is being carried out within the framework of the Joint Military Doctrine with Greece. Noteworthy in this context has been the political storm that has engulfed South Cyprus over the disclosures made by Mr. Andonis Karas, a Greek Cypriot Member of Parliament, regarding large-scale arms transfers from Greece to South Cyprus. Mr. Karas, who holds the Vice-Chairmanship of the Greek Cypriot House of Representatives Defence Committee, was faced with a storm of protests after reports appeared in the Greek Cypriot press quoting him as having stated that "lately Greece has been sending sophisticated weaponry valued at hundreds of millions of dollars to South Cyprus, including tanks operated by Greek personnel" (Greek Cypriot dailies Fileleftheros and Simerini of 8 January 1999).

There is no doubt that the Greek Cypriot administration will continue to pursue a reckless policy of escalation until such time as interested third parties strongly urge that administration to stop militarizing the Cyprus issue and instead seek a political settlement of the dispute in the light of the existing realities on the island.

I should be grateful if the text of the present letter could be circulated as a document of the General Assembly, under agenda item 62, and of the Security Council.

(Signed) Aytuğ Plümer
Representative
Turkish Republic of Northern Cyprus

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Fifty-third session
Agenda item 155
MEASURES TO ELIMINATE
INTERNATIONAL TERRORISM

SECURITY COUNCIL
Fifty-fourth year

Letter dated 26 January 1999 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

I wish to refer to the letters dated 11 December 1998 (A/53/740-S/1998/1161) and 8 January 1999 (A/53/785-S/1999/23) from the Permanent Representative of Lebanon, and the letter dated 4 January 1999 (A/53/777-S/1999/6) from the Chargé d'affaires of the Permanent Mission of Lebanon, addressed to the Secretary-General.

The Government of Lebanon continues to be directly responsible for the volatile security situation along the Israeli-Lebanese border. The primary cause of this situation is Lebanon's unequivocal support for Hizbollah, an organization engaging in international terrorism, and its use of Lebanese territory for an elaborate military infrastructure, consisting of training camps, recruiting centres and storage areas for armaments. Most important, Lebanon has let itself become a launching pad for acts of aggression and outright terrorism against Israel, including indiscriminate rocket attacks on Israeli towns and villages.

Hizbollah is not an innocent political party or welfare organization serving part of the Lebanese public. Hizbollah has declaredly targeted and murdered hundreds of innocent civilians throughout the world. Moreover, Hizbollah's record throughout the 1980s, on seizing hostages from many countries, is a well-established fact, known throughout the international community. In the month of November 1998 alone, there were 93 terrorist attacks in southern Lebanon, the vast majority of which were carried out by Hizbollah. It should be emphasized that in addition to Hizbollah, a number of Lebanese and Palestinian terrorist organizations have been given free rein to attack Israel from Lebanese territory. This fact does not prevent Lebanon from complaining before the international community about a situation that is indisputably its own creation.

Israel has repeatedly stated its willingness to implement Security Council resolution 425 (1978) in its entirety. The resolution did not only call for the withdrawal of Israeli forces, but also for the restoration of international peace and security and the return of the Lebanese Government's effective authority in the area. Lebanon's continued readiness to allow terrorist operations from its soil is totally incompatible with these last two provisions of the resolution. Israel reiterates again its willingness to implement resolution 425 (1978) and calls upon the Government of Lebanon to cooperate with Israel in order to restore peace and security along their common border.

The Government of Lebanon has failed so far to respond to Israel's proposals, and therefore it alone bears the burden for the continuing status quo and its inevitable consequences. Indeed, Lebanese Prime Minister Salim Hoss reiterated Lebanon's refusal to take up Israel's offer in an interview published on 12 January: "We are not prepared for any talks or negotiations nor security arrangements with Israel" (Xinua News Agency, from the Daily Star). Lebanese President Emile Lahoud demonstrated precisely the same position, in refusing Israel any special assurances for protecting the international border after the completion of an Israeli withdrawal from southern Lebanon. "We refuse guarantees and arrangements for withdrawal which will be what Israel wants at our expense" (Lebanese television, 24 November 1998). This amounts to a complete rejection of the essence of Security Council resolution 425 (1978).

International law prohibits Lebanon from sanctioning and encouraging terror, under any guise. By refusing to disarm Hizbollah and other terrorist organizations, the Lebanese Government has shown itself unwilling to abide by its international obligations to prevent activities within its territory directed towards organizing, instigating, assisting and participating in acts of violence and terror across Israel's northern border. Such obligations are part and parcel of the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations (General Assembly resolution 2625 (XXV) of 24 October 1970). It should be understood, then, that Israel reserves the right to take whatever measures may be necessary to assure its own self-defence, in accordance with international norms and the Charter of the United Nations.

(Signed) Dore GOLD
Ambassador
Permanent Representative

United Nations A/53/810

General Assembly

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Fifty-third session
Agenda item 125
Financing of the United Nations Mission for the Referendum in Western Sahara

Financing of the United Nations Mission for the Referendum in Western Sahara

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolutions 51/2 B of 13 June 1997 and 52/228 A of 31 March 1998, appropriated a total amount of $47,402,100 gross ($44,419,700 net) for the operation of MINURSO for the same period.

Expenditures for the period totalled $40,878,900 gross ($39,062,500 net), resulting in an unencumbered balance of $6,523,200 gross ($5,357,200 net). The unencumbered balance was primarily attributable to the delayed deployment of contingent personnel and initial delays in the deployment of civilian personnel.

The action to be taken by the General Assembly in connection with the financing of MINURSO is a decision on the treatment of the unencumbered balance of $6,523,200 gross ($5,357,200 net) for the period from 1 July 1997 to 30 June 1998.

99-02212 (E) 190299

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I. Introduction

1. The United Nations Mission for the Referendum in Western Sahara (MINURSO) was established by the Security Council in its resolution 690 (1991) of 29 April 1991.

2. The initial budget of MINURSO for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 4 February 1997 (A/51/763/Add.1) and amounted to $29,107,800 gross ($27,308,400 net). The budget was based on the Mission's maintenance requirements at the reduced strength of its military and civilian police components authorized by Security Council resolution 1056 (1996) of 29 May 1996.

3. The General Assembly, by its resolution 51/2 B of 13 June 1997, appropriated $30,229,800 gross ($28,430,400 net) for the maintenance of MINURSO for the same period, including $1,122,000 for the support account for peacekeeping operations.

4. Subsequently, by its resolution 1133 (1997) of 20 October 1997, the Security Council requested the Secretary-General to proceed with the identification of eligible voters with the aim of finishing the process by 31 May 1998, increased the size of the Mission and extended its mandate until 20 April 1998. On that basis, the Secretary-General submitted a revised budget for MINURSO for the reporting period amounting to $48,078,900 gross ($44,572,500 net) (see A/52/730). Pending the submission of this revised budget, the Controller had obtained the concurrence of the Advisory Committee on Administrative and Budgetary Questions to enter into commitments in a total amount of $9,300,500 gross ($8,478,100 net) for the period from 1 November 1997 to 31 March 1998.

5. Subsequently, by its resolution 1148 (1998) of 26 January 1998, the Security Council also approved the deployment of a military engineering support unit required for demining activities and the additional administrative staff required to support it.

6. As a consequence, the Secretary-General submitted an updated revised budget for MINURSO for the period from 1 July 1997 to 30 June 1998 in the amount of $47,402,100 gross ($44,419,700 net) (see A/52/730/Add.2), which reflected the additional requirements for demining activities while at the same time revising downward the additional requirements for the identification process set out in his earlier report (A/52/730).

7. The General Assembly, by its resolution 52/228 A of 31 March 1998, appropriated $17,172,300 gross ($15,989,300 net) for the operation of MINURSO for the period from 1 July 1997 to 30 June 1998, in addition to the amount of $30,229,800 gross ($28,430,400 net) appropriated earlier in its resolution 51/2 B. The total appropriation for the reporting period amounted to $47,402,100 gross ($44,419,700 net). Those amounts have been assessed on Member States.

8. By its resolution 1215 (1998) of 17 December 1998, the Security Council extended the mandate of MINURSO until 31 January 1999.

II. Implementation of the budget

9. Information on the operations of MINURSO and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 24 and 25 September 1997 (S/1997/742 and Add.1), 13 and 19 November 1997 (S/1997/882 and Add.1), 15 January 1998 (S/1998/35), 13 April 1998 (S/1998/316), 18 May 1998 (S/1998/404), 18 June 1998 (S/1998/534) and 10 July 1998 (S/1998/634) and the Secretary-General's letter of 13 December 1997 (S/1997/974) to the President of the Security Council.

10. During the reporting period, MINURSO continued to monitor and verify the ceasefire through daily ground patrols and helicopter reconnaissance. Resources provided in the Mission's budget to support this activity were utilized within the originally forecast parameters.

11. Pursuant to Security Council resolution 1133 (1997), the Mission implemented a series of practical administrative and logistical measures to support the resumption, on 3 December 1997, of identification activities, including the emplacement of identification staff and the re-establishment of the civilian police component, the acquisition of communications equipment and additional vehicles and the completion of renovation and minor construction projects. While deployment of administrative staff was generally on target, there were delays in the deployment of Identification Commission support staff, which contributed to the reported unutilized balances under civilian personnel costs. However, by the end of December 1997, the total number of civilian staff stood at 266 (194 international and 72 local), with 340 staff (243 international and 97 local) deployed by the end of June 1998.

12. Pursuant to a subsequent Security Council resolution, 1148 (1998), MINURSO commenced preparations for the deployment of the military engineering support and demining units comprising 229 personnel. While the advance party of the engineering company and its equipment and some military demining officers arrived in the mission area in May 1998, the deployment of the main body of the respective contingents was delayed, resulting in the unutilized balances reported under military personnel costs and non-utilization of funds allocated for the set-up of demining centres. Conversely, unforeseen additional requirements for the preparation and construction of a logistics complex in Laayoune in connection with the impending deployment of contingent personnel gave rise to higher than budgeted expenditures under the construction/prefabricated buildings budget line item.

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

13. As indicated in table 1, from the total appropriation of $47,402,100 gross ($44,419,700 net) for the operation of MINURSO for the period from 1 July 1997 to 30 June 1998, expenditures amounted to $40,878,900 gross ($39,062,500 net), inclusive of $9,464,000 in unliquidated obligations. The resulting unencumbered balance of $6,523,200 gross ($5,357,200 net) represents, in gross terms, 14 per cent of the total appropriation. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV provides a chart showing apportionment and expenditures by main budget group.

14. Information on the deployment of military and civilian personnel during the reporting period is presented in table 2, and the related chart appears in annex III.

15. As indicated in table 2, as at 30 June 1998 the authorized strength of MINURSO comprised 203 military observers, 256 contingent personnel, 81 civilian police, 285 international staff, 105 local staff and 10 Organization of African Unity observers.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military and personnel costs	9 917.7	8 880.1	1 037.6
Civilian personnel costs	20 882.7	15 714.1	5 168.6
Operational costs	12 457.3	12 699.6	(242.3)
Other programmes	40.0	—	40.0
United Nations Logistics Base at Brindisi	—	646.7	(646.7)
Support account for peacekeeping operations	1 122.0	1 122.0	—
Staff assessment	2 982.4	1 816.4	1 166.0
Total	**47 402.1**	**40 878.9**	**6 523.2**
Income from staff assessment	(2 982.4)	(1 816.4)	(1 166.0)
Voluntary contributions in kind (budgeted)	—	—	—
Net requirements	**44 419.7**	**39 062.5**	**5 357.2**
Voluntary contributions in kind (non-budgeted)[b]	20.0	20.0	—
Total resources	**44 439.7**	**39 082.5**	**5 357.2**

[a] Includes $9,464,000 in unliquidated obligations.

[b] Medical supplies provided by the Government of Germany.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 30 June 1998

Personnel category and period covered	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers[a]	203	200	1.5
Military contingents			
1 July–31 October 1997	27	24	11.1
1 November 1997–31 March 1998	27	21	22.2
1 April–30 June 1998	256	90	64.8
Civilian police			
1 July–31 October 1997	—	—	—
1 November 1997–31 March 1998	81	67	17.3
1 April–30 June 1998	81	79	2.5
International staff			
1 July–31 October 1997	102	88	13.7
1 November 1997–31 March 1998	278	205	26.3
1 April–30 June 1998	285	241	15.4
Local staff			
1 July–31 October 1997	65	63	3.1
1 November 1997–31 March 1998	95	77	18.9

Personnel category and period covered	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
1 April–30 June 1998	105	96	8.6
Organization of African Unity observers			
1 July–31 October 1997	2	2	—
1 November 1997–31 March 1998	10	7	30.0
1 April–30 June 1998	10	10	—

[a] There was no change in the authorized strength during the reporting period.

IV. Action to be taken by the General Assembly at its fifty-third session

16. The action to be taken by the General Assembly in connection with the financing of MINURSO is to decide on the treatment of the unencumbered balance of $6,523,200 gross ($5,357,200 net) for the period from 1 July 1997 to 30 June 1998.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I. Military personnel costs				
1. Military observers	5 399.8	-	5 192.1	207.7
2. Military contingents	3 366.0	-	2 536.1	829.9
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	1 014.6	-	1 014.6	-
(b) Death and disability compensation	137.3	-	137.3	-
Subtotal, line 3	1 151.9	-	1 151.9	-
Total, category I	**9 917.7**	**-**	**8 880.1**	**1 037.6**
II. Civilian personnel costs				
1. Civilian police	1 417.8	-	1 143.5	274.3
2. International and local staff	19 282.1	-	14 437.0	4 845.1
3. International contractual personnel	-	-	-	-
4. United Nations Volunteers	-	-	-	-
5. Government-provided personnel	182.8	-	133.6	49.2
6. Civilian electoral observers	-	-	-	-
Total, category II	**20 882.7**	**-**	**15 714.1**	**5 168.6**
III. Operational costs				
1. Premises/accommodation	1 128.9	675.8	1 559.5	(430.6)
2. Infrastructure repairs	-	-	-	-
3. Transport operations	2 022.5	821.1	1 769.2	253.3
4. Air operations	6 744.4	157.0	6 379.0	365.4
5. Naval operations	-	-	-	-
6. Communications	618.1	81.0	582.9	35.2
7. Other equipment	608.6	370.3	640.3	(31.7)
8. Supplies and services	548.0	-	983.2	(435.2)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	750.0	749.3	749.3	0.7
(b) Commercial freight and cartage	36.8	-	36.2	0.6
Subtotal, line 9	**786.8**	**749.3**	**785.5**	**1.3**
Total, category III	**12 457.3**	**2 854.5**	**12 699.6**	**(242.3)**

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	-	-	-	-
4. Mine-clearing programmes	40.0	-	-	40.0
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**40.0**	**-**	**-**	**40.0**
V. United Nations Logistics Base at Brindisi	-	-	646.7	(646.7)
VI. Support account for peacekeeping operations	1 122.0	-	1 122.0	-
VII. Staff assessment	2 982.4	-	1 816.4	1 166.0
Total, categories I - VII	**47 402.1**	**2 854.5**	**40 878.9**	**6 523.2**
VIII. Income from staff assessment	(2 982.4)	-	(1 816.4)	(1 166.0)
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
Total, categories VIII - IX	**(2 982.4)**	**-**	**(1 816.4)**	**(1 166.0)**
Gross requirements	47 402.1	2 854.5	40 878.9	6 523.2
Net requirements	44 419.7	2 854.5	39 062.5	5 357.2
X. Voluntary contributions in kind (non-budgeted)	20.0	-	20.0	-
Total resources	**44 439.7**	**2 854.5**	**39 082.5**	**5 357.2**

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $9,917,700; expenditure: $8,880,100; variance: $1,037,600

1. The unutilized balance of $1,037,600 reflects savings under military observers ($207,700) and military contingents ($829,900).

2. The unutilized balance of $207,700 under military observers resulted from the average cost of rotation ($3,250) being lower than the budget estimate ($4,500) as well as actual deployment (72,475 person-days) being lower than the budget estimate (74,095 person-days).

3. The unutilized balance of $829,900 under military contingents was realized primarily from initial delays in the deployment of the engineering support and demining units, resulting in an actual deployment of 364 person-months in comparison with the budget estimate of 800 person-months. Savings were also realized from lower requirements for rations and the average cost of rations ($7.30 per person per day) being lower than budgeted ($10 per person per day).

Civilian personnel costs

Apportionment: $20,882,700; expenditure: $15,714,100; variance: $5,168,600

4. The unutilized balance of $5,168,600 under this heading reflects lower requirements under civilian police ($274,300), international and local staff ($4,845,100) and government-provided personnel ($49,200).

Civilian police

Apportionment: $1,417,800; expenditure: $1,143,500; variance: $274,300

5. The unutilized balance of $274,300 under this heading was attributable to the average number of personnel (79) deployed from December 1997 to June 1998 being lower than the authorized strength (81), resulting in savings under mission subsistence and clothing and equipment allowances. Additional savings were realized from the actual cost of emplacement travel per person ($2,300) being lower than originally estimated ($2,750).

International and local staff

Apportionment: $19,282,100; expenditure: $14,437,000; variance: $4,845,100

6. The unutilized balance of $4,845,100 under this heading relates primarily to savings under international salaries and common staff costs resulting from a higher number of international staff on appointments of limited duration (mission appointees). These appointees ranged from 75 to 80 per cent of the total compared with the 50 per cent upon which the apportionment was based. This contributed to lower requirements under salaries owing to the non-payment of New York-based post adjustment and lower common staff costs for mission appointees. Savings were also realized from initial delays in deploying personnel for the identification process.

Government-provided personnel

Apportionment: $182,800; expenditure: $133,600; variance: $49,200

7. The unutilized balance of $49,200 under this heading was attributable to initial delays in deploying Organization of African Unity observers during the two-month period from November to December 1997, resulting in savings under mission subsistence allowance ($28,600). Owing to the continuation of the identification process, savings under travel costs ($20,600) were also realized from the non-utilization of resources for the repatriation of the observers.

Operational costs

Apportionment: $12,457,300; expenditure: $12,669,600; variance: ($242,300)

8. The combined unutilized balance of $655,200 under transport operations, air operations, communications and air and surface freight was offset by additional requirements totalling $897,500 under premises/accommodation, other equipment and supplies and services, resulting in net additional requirements of $242,300.

Premises/accommodation

Apportionment: $1,128,900; expenditure: $1,559,500; variance: ($430,600)

9. Savings were realized from lower rental rates for premises in Laayoune, the non-rental of 30 apartments originally required for the identification process and lower requirements under alterations to premises, maintenance supplies and services and utilities. However, these savings were offset by additional requirements of $635,800 under construction/ prefabricated buildings for the purchase of equipment, construction materials and related services for the extensive renovation of a logistics complex in Laayoune to be used as residential and office accommodations for the engineering support and demining contingent personnel, resulting in net additional requirements of $430,600.

Transport operations

Apportionment: $2,022,500; expenditure: $1,769,200; variance: $253,300

10. The unutilized balance of $253,300 under this heading was primarily attributable to the lower actual unit cost ($13,000) of 45 4x4 vehicles purchased through a systems contract, compared with the budgeted unit cost ($20,000). Savings were also realized from the lower consumption of fuel owing to the delayed deployment of contingent personnel and their equipment.

Air operations

Apportionment: $6,744,400; expenditure: $6,379,000; variance: $365,400

11. The unutilized balance of $365,400 under this heading resulted from savings under fixed-wing aircraft and aircrew subsistence allowance ($574,500), which were offset in part by additional requirements under helicopter operations ($196,500) and other air operation costs ($12,600).

12. The helicopter fleet of the United Nations Mission for the Referendum in Western Sahara (MINURSO) during the reporting period consisted of four helicopters. The three original helicopters were used for the Mission's operational requirements, including ceasefire monitoring patrols, rotation of personnel among team sites, resupply and

medical/casualty evacuation. Pursuant to Security Council resolution 1148 (1998), a fourth helicopter was deployed towards the end of the reporting period to provide air support for MINURSO engineering projects. Owing to the delayed deployment of contingent personnel, savings were realized from the lower actual number of hours flown (2,639) than budgeted (3,850). However, those savings were offset by higher charter costs and additional requirements for positioning and painting costs in connection with a change in contract during the reporting period, resulting in additional requirements of $196,500 under this heading.

13. The Mission's fleet of fixed-wing aircraft comprised four Antonov AN-26 aircraft, two of which were utilized during the period from 1 July 1997 to 30 June 1998 to meet the Mission's operational requirements. In December 1997, a third AN-26 aircraft was deployed in connection with the resumption of identification activities for the transport of tribal sheikhs, officials of the concerned parties and MINURSO staff. A fourth AN-26 aircraft was also leased for the two-month period from May to June 1998 in connection with the extension of identification activities in northern Morocco and Mauritania. The unutilized balance of $573,900 under this heading was attributable to savings resulting from the actual number of hours flown (2,476) being lower than budgeted (3,750), partially offset by additional requirements under hire/charter costs, positioning and painting/preparation costs arising from the lease of the fourth aircraft and a change in contract for the other three aircraft during the reporting period.

Supplies and services

Apportionment: $548,000; expenditure: $983,200; variance: ($435,200)

14. The overexpenditure of $435,200 under this heading consists of additional requirements under miscellaneous services ($373,300) and miscellaneous supplies ($61,900).

15. Additional requirements of $373,300 under miscellaneous services resulted primarily from higher actual requirements for bank charges and the recording in the Mission's account of losses on exchange rates.

16. Under miscellaneous supplies, savings were realized under medical supplies attributable in part to the provision of medical supplies by the Government of Germany as a voluntary contribution (estimated total cost $20,000). However, those savings were offset by additional requirements for the purchase of instant photo films and related supplies for the identification process and of 149 ballistic-protective blankets for vehicles in preparation for demining activities.

Other programmes

Mine-clearing programmes

Apportionment: $40,000; expenditure: none; variance: $40,000

17. Owing to the delayed deployment of contingent personnel for demining activities, equipment and supplies for the establishment of three mine information cells were not purchased during the reporting period.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $646,700; variance: ($646,700)

18. The expenditure of $646,700 represents the Mission's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi, Italy, for the reporting period, in accordance with General Assembly resolution 52/1 A of 15 October 1997.

Staff assessment

Apportionment: $2,982,400; expenditure: $1,816,400; variance: $1,166,000

19. The unutilized balance was attributable to the lower average number of international and local staff deployed during the reporting period.

Income from staff assessment

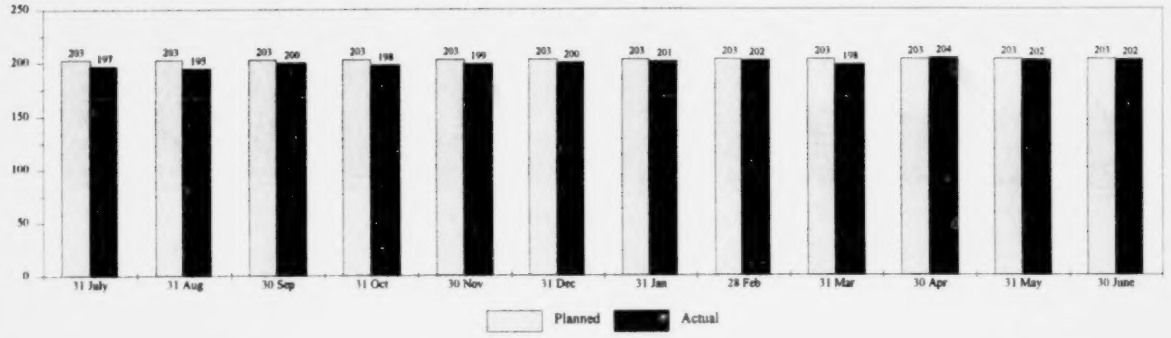
Apportionment: ($2,982,400); expenditure: ($1,816,400); variance: ($1,166,000)

20. This amount is derived from paragraph 19 above.

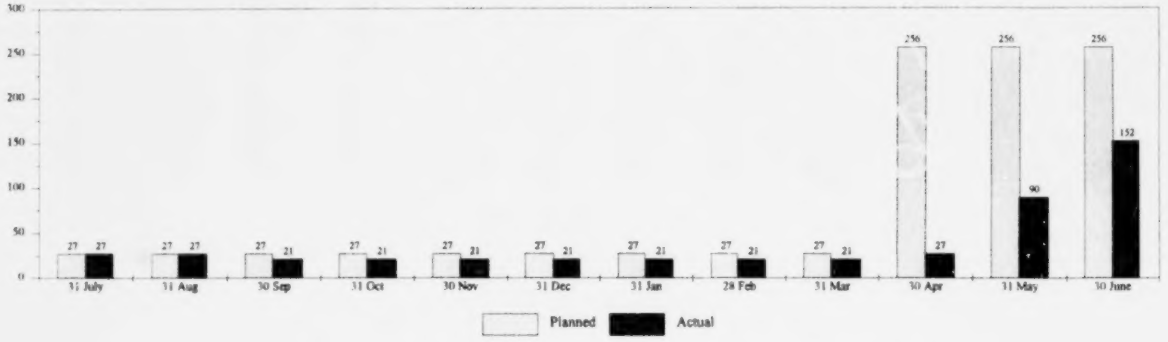
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998

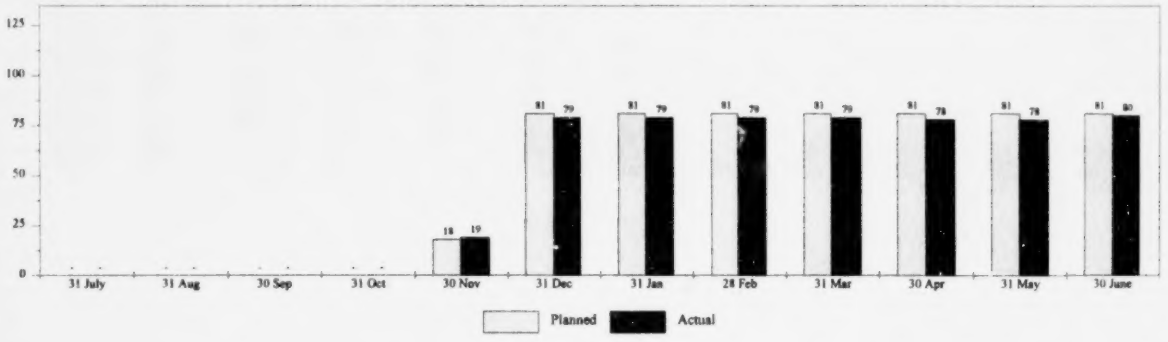
1. Military observers



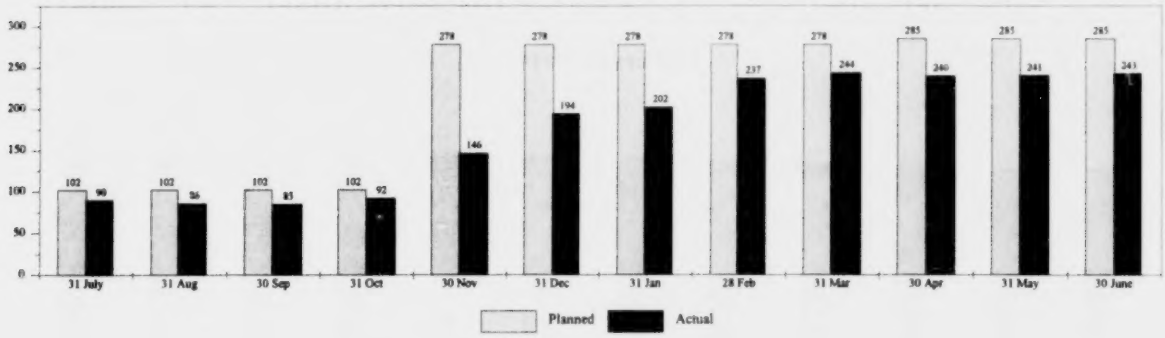
2. Military contingents



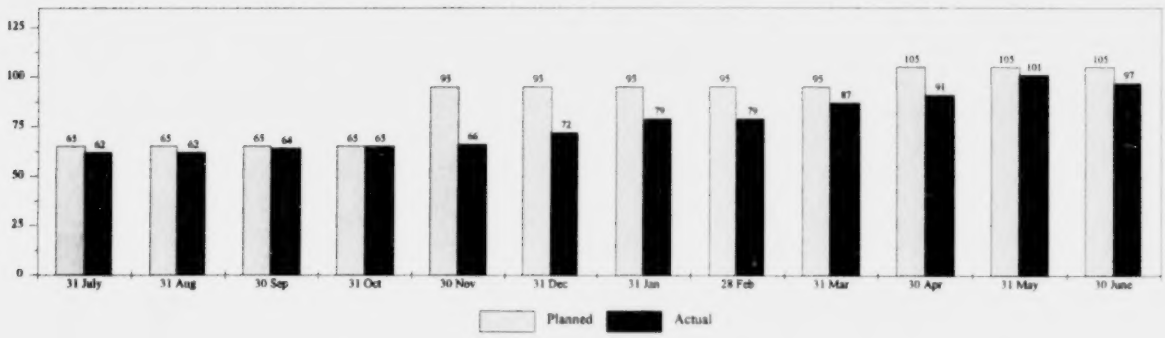
3. Civilian police



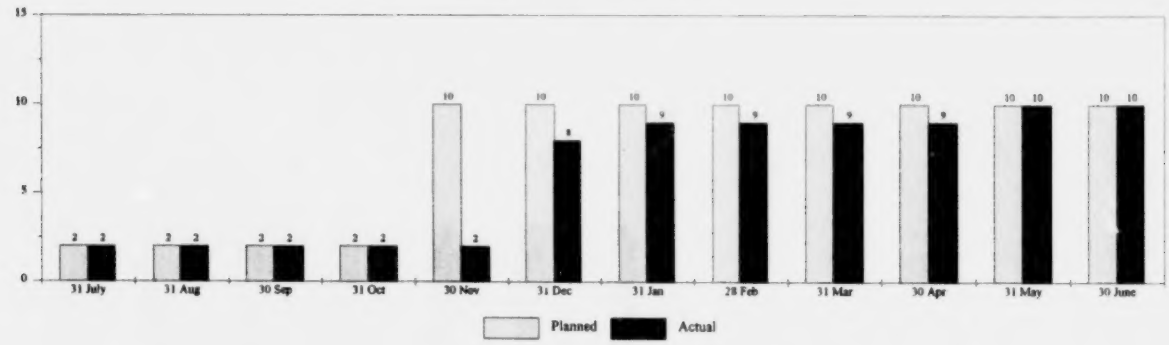
4. International staff



5. Local staff

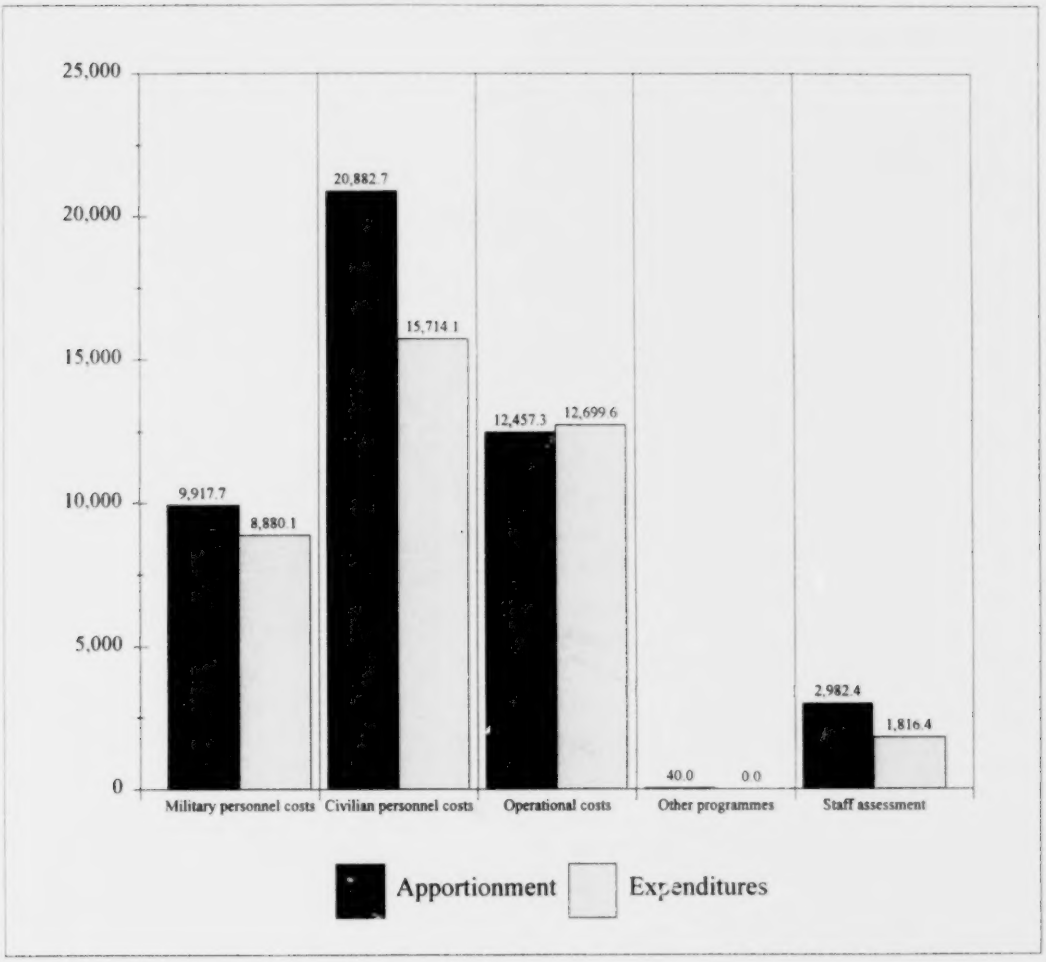


6. OAU observers



Annex IV

Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998



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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Allegations of theft of funds by a United Nations Conference on Trade and Development staff member

Note by the Secretary-General

1. Pursuant to General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the investigation into allegations of theft of funds by a staff member of the United Nations Conference on Trade and Development (see annex).

2. The Secretary-General takes note of the findings of the report and concurs with its recommendations.

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Annex

Report of the Office of Internal Oversight Services on the investigation into allegations of theft of funds by a staff member of the United Nations Conference on Trade and Development

Executive summary

The Investigations Section (IS) of the Office of Internal Oversight Services (OIOS) conducted an investigation between May 1996 and March 1997 into reported misuse or theft of United Nations funds by a Senior Administrative Officer in the Administrative Service of the United Nations Conference on Trade and Development (UNCTAD). The investigation proved that the Senior Administrative Officer had used his position in the Administrative Service to perpetrate at least 59 separate instances of theft between 1987 and 1996, without triggering any meaningful internal alarm of the ongoing, long-term illegal scheme. Moreover, since the Senior Administrative Officer's illegal activities were discovered by accident when he was on sick leave in mid-1996, it is reasonable to conclude that but for his absence, he would have continued his operation undetected until his retirement, which was then imminent. The basic scheme was simple: the Senior Administrative Officer obligated UNCTAD project funds to obtain cheques, issued by the United Nations Office at Geneva (UNOG) for as many as six fictitious experts at a time for daily subsistence allowance (DSA) payments, which he then cashed and utilized to maintain his lifestyle. Several times a year, the Senior Administrative Officer prepared documents purporting to raise DSA payments for these "experts", whom he claimed were already at Geneva for another conference. However, those experts did not exist; the conferences were never held; and some of the project account numbers used to charge the DSA payments never existed.

The findings of the investigation were provided to the Swiss judiciary. In late 1997, the Swiss Court heard the case, which included the staff member's admission at trial of his theft by deceit of nearly 730,000 Swiss francs (SwF) in United Nations funds. The Senior Administrative Officer has made restitution of SwF 495,000 or 68 per cent of the amount stolen, which required the liquidation of all of his assets, including his lump sum pension benefit. At the conclusion of the trial, the Swiss Court convicted him of the charges, ordered 18 months imprisonment and 10 years exclusion from Switzerland, and provisionally ordered him to repay the difference between the amount the Organization was able to recover from him and the total that he had stolen.

In addition, since the trial, IS has sought to determine what lapses may have occurred in UNOG and UNCTAD which contributed to the longevity of the Senior Administrative Officer's scheme. A report was provided to the Secretary-General of UNCTAD and the Director-General of UNOG, containing the details of the criminal enterprise and an analysis of the deficiencies in the management and operations of UNCTAD and UNOG as they existed when the Senior Administrative Officer was committing these crimes. Substantive discussions since then have led to the changes that have been enacted in recent months by UNCTAD and UNOG, beginning shortly after discovery of the scheme. OIOS also has included recommendations to enable UNCTAD and UNOG to recognize and identify fraud indicators so as to minimize the risk of repetition. The investigation benefited greatly from the consistent support and cooperation of staff members at all levels in UNOG and UNCTAD, as well as the assistance of an OIOS auditor at Geneva.

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I. Introduction

1. The Senior Administrative Officer commenced his career with the United Nations in 1975 as an Administrative Officer at the level P–3, with the United Nations Conference on Trade and Development (UNCTAD). The following year, he was designated a Senior Administrative Officer, a function he held until mid-1996 after his thefts were confirmed. In 1992, the Senior Administrative Officer was promoted to P–5 and was designated as Senior Administrative Officer of the Operations Unit of UNCTAD's Administrative Service. His direct supervisor, for administrative and financial matters, was the Chief of UNCTAD's Administrative Service.

2. In order to succeed in the scheme, the Senior Administrative Officer needed the appropriate environment: i.e., limited supervision, a strong knowledge and personal control of administrative functions, a high level of confidence, and depending on the circumstances of each event, charm or arrogance when needed. By displaying a high degree of disorganization himself, which he portrayed as a function of his demonstrated alcoholism, he was able to capitalize on his colleagues' organizational fatigue of having to deal with him. This ensured that instead of alarming his colleagues that he might be undertaking some criminal enterprise, their perceptions were immediately routed to his alleged alcoholic hopelessness.

3. In mid-May 1996, the Senior Administrative Officer was on sick leave on account of his alcoholism. He telephoned one of his staff and pressured her to agree to adjust UNCTAD project account debits and credits in his end-of-month accounting reconciliations. Initially, the staff member refused because the changes were to be made by journal voucher entries, with which she was not familiar. However, the Senior Administrative Officer telephoned his office several times, increasing pressure on others in his support staff to make those changes. Eventually, the staff members reluctantly agreed to do so. In the course of trying to follow the directions from the Senior Administrative Officer, the two General Service staff members discovered that there were several irregularities in his accounting, which caused them to seek supporting documentation. Upon examining such documentation, they realized that the Senior Administrative Officer might have diverted money in April 1996 by claiming daily subsistence allowance (DSA) for designated "experts" who were otherwise unknown to the Organization for attendances at a conference they could not confirm. The two staff members then brought this information to the Officer-in-Charge, a P-4 who in turn advised the Chief of Administrative Service and senior management. UNCTAD management contacted the United Nations Office at Geneva (UNOG) administration to ask for a record search of the payments.

II. Criminal case

4. The initial complaint made by the United Nations to the judicial authorities of Geneva on 31 May 1996 caused the Senior Administrative Officer to be charged with having obtained funds from the United Nations by false pretences and forgery pursuant to sections 146 and 251 of the Swiss Penal Code. The complaint was sworn by the UNOG Director of Administration and UNOG Senior Legal Officer on behalf of the United Nations, which became *partie civile* in the proceedings. As such, the Secretary-General agreed to waive immunity for both officials, as had been done previously for the Senior Administrative Officer. Shortly after the swearing of the complaint, immunities were lifted for the two members of the OIOS investigation team in order to conduct the investigation into the Senior Administrative Officer's activities in cooperation with the Swiss authorities and to present the evidence before the *juge d'instruction*.

5. By his own admission as well as expert testimony before the Swiss Magistrate, the Senior Administrative Officer had been an alcoholic since at least 1987. His work colleagues at all levels confirmed that the Senior Administrative Officer had reached such a level of alcoholism that he was often dysfunctional and had become incapable of functioning in a professional manner. In the course of the court proceedings, the Senior Administrative Officer based his defence solely on his uncontrollable alcoholism. Yet the evidence adduced by the Office of Internal Oversight Services (OIOS) investigation proved that the Senior Administrative Officer, despite this purported dysfunctional illness, was able not only to invent a system with which he could divert organizational funds but also to manage a monthly cover-up device which required an extraordinary memory and technical bookkeeping skills in order to avoid detection.

6. For the criminal case to succeed, it was essential to prove that the meetings that the Senior Administrative Officer used to obligate funds were in fact fictitious; that the DSA recipients who allegedly attended those meetings were also fictitious; and that the Senior Administrative Officer should not benefit from a legal defence of diminished responsibility on account of his alcoholism. To counter the latter, it was necessary to find and provide the court with substantive evidence that the Senior Administrative Officer possessed well above-average mental capacity when he

developed and applied the multifaceted system he used to perpetrate the scheme.

A. Developing the scheme

7. Although the basic scheme was simple, the mechanics developed by the Senior Administrative Officer in order to avoid detection were complex, using a combination of actual and fictitious UNCTAD project numbers, realistic-sounding names of fictitious experts and open and closed UNCTAD projects. The scheme also required a sophisticated understanding of how the UNCTAD administration of projects and financial systems worked as well as of UNOG interventions that only a United Nations insider could develop.

(a) Manipulating in UNCTAD

8. To begin, the Senior Administrative Officer would simply obligate a sum of money, usually less than 15,000 Swiss francs (SwF), which he charged to an UNCTAD project account number using the miscellaneous obligation document (MOD). That sum of money would be the total amount of DSA for several days for several fictitious "experts" who were allegedly already at Geneva attending a conference or a meeting of experts; the DSA was necessary to cover their purported expenses to extend their stay either because the conference had been extended, or more often because a new meeting had been organized urgently in order to take advantage of their presence at Geneva. This would naturally create the impression of urgency to pay the fictitious attendees prior to their departure from Geneva, while at the same time allowing the Organization to save travel funds. The Senior Administrative Officer thus gave himself the advantage of bypassing the requirements and reviews attendant to the submission of travel documents. Utilizing his own authority in the Administrative Service of UNCTAD, the Senior Administrative Officer would prepare an MOD which he approved himself with the barest of details and no substantive supporting documentation. UNCTAD Administrative Service imposed no further review. Thus, his MOD, with a roster of names of experts attached, went — on his authorization alone — to the UNOG Financial Resources Management Service (FRMS) for approval and cheque issuance.

(b) Manipulating in UNOG

9. At first, when asked for supporting substantive documentation by FRMS personnel, he would advise them that such documentation would be forthcoming but that given the urgency it was not then available. That practice occurred so frequently between 1990 and 1996 that FRMS staff members became so accustomed to his practice of showing up by 11 a.m. demanding cheques before 3 p.m. that they never questioned him. The Senior Administrative Officer added to the perception of urgency by going personally to UNOG to walk the paperwork through FRMS so that he could collect the cheques payable to the "experts" in order to distribute them to the payees. This, in turn, caused FRMS to quickly authorize the issuance that same day of the required number of cheques. The Senior Administrative Officer would then collect the completed cheques in person from the FRMS Cashier. From there, he would walk through the Palais to the local bank branch offices, seeking out each time the same cashier. Like the FRMS staff, the teller became so used to his practice that she never questioned him. She would cash the cheques which he had endorsed with signatures of the fictitious payees. In an unnecessary but clever finishing touch the Senior Administrative Officer then, in front of the cashier, would place the cash in envelopes on which he had written the names of the fictitious "experts". This worked at least 59 times.

B. Proving the criminal case

10. After being confronted before the Swiss Magistrate with the evidence of his crimes which the Investigations Section (IS)/OIOS had developed, the Senior Administrative Officer admitted having defrauded the Organization in 59 transactions of SwF 730,000. In addition to developing the documentary evidence, IS/OIOS provided testimonial evidence, including statements from all UNCTAD project officers whose projects had been used by the Senior Administrative Officer, attesting that no conferences or meetings of experts had taken place as claimed in the MODs, and that the names of the alleged attendees were not known to them. In the cases where the Senior Administrative Officer used false project numbers, the OIOS investigation team was able to provide documentation and statements to the effect that no such project existed, and therefore could not have generated a conference or meeting of experts. For the terminated projects that the Senior Administrative Officer used, statements were also obtained from project officers who were able to certify that such projects had been completed and closed at the time when the conference or meeting of experts was alleged to have taken place. The Swiss law enforcement personnel were able to access the Senior Administrative Officer's bank accounts and the OIOS investigation team provided the analysis for the court,

demonstrating that each time that the Senior Administrative Officer diverted a sum of money from the Organization, there had been an equivalent deposit in one of his bank accounts within a short period of time. The most difficult phase of the investigation was the reconstruction of the system that the Senior Administrative Officer had used. To do this, the investigation team had to analyse every journal voucher that the Senior Administrative Officer had produced in the last 12 years. With the assistance of an UNCTAD technical expert and using a "protocol" system to identify suspect entries, the investigation team was able to isolate the journal vouchers which contained the Senior Administrative Officer's fictitious reconciliations. When extracted, those reconciliations could be shown to total the amounts initially stolen. Those analyses were documented so as to be accepted as primary evidence of the Senior Administrative Officer's wilful deceit.

C. Obtaining recovery and sanctions

11. As a result of the joint criminal and civil action undertaken by the United Nations in this case, the Organization was able to recover 68 per cent of the sum stolen by the Senior Administrative Officer. Following receipt of the evidence and his subsequent admission of guilt, the Senior Administrative Officer was ordered to repay the Organization the full admitted amount he had stolen. The Swiss Court was able to order the sale of his apartment in France. However, the Senior Administrative Officer also owned a property in the United States of America. The investigation team was able to monitor the selling activity for that property. In the course of the Swiss proceeding, the investigation team discovered that the Senior Administrative Officer had sold his United States property and had not informed the court. In order to maximize recovery, the investigation team was able to secure sufficient proof of the sale of his United States property. When that evidence was presented, the Swiss Court ordered the Senior Administrative Officer to remit the proceeds of the sale to the United Nations. In addition, the Senior Administrative Officer agreed to pay the lump sum pension payment he received from the United Nations Joint Staff Pension Fund to the United Nations as partial restitution.

12. As penalty for the commission of the 59 instances of theft, the Senior Administrative Officer was sentenced to 18 months of imprisonment, of which nine months had been served in custodial detention awaiting trial. As the Senior Administrative Officer had left Geneva following his termination from the United Nations service and the criminal investigation and was living in his home country with his family, he was not required to return to custody because the court also imposed 10 years exclusion from Switzerland, which began immediately. The court also issued a provisional order to repay the balance of the funds stolen.

III. Fraud indicators

13. One of the key questions which emerged was: How did the Senior Administrative Officer continuously embezzle funds from the United Nations for more than a decade without the scheme being discovered? The Senior Administrative Officer himself, in his first appearance before the Magistrate, claimed that he had been able to carry out his scheme because there were no controls. However, UNOG representatives and investigators who participated in the prosecution were able to demonstrate that the United Nations system of controls included the Senior Administrative Officer, who had abused that high position of trust to certify his own requisitions to perpetrate his scheme. It was argued that an employer might repose trust in an employee and that the latter is fully and personally responsible for his crimes. However, it is also true that the Senior Administrative Officer was able to systematically defraud the United Nations for more than 10 years without being discovered. The investigation found that there were a number of fraud indicators which were evident well before the Senior Administrative Officer virtually exposed himself by his requests to his staff in May of 1996. Some of those fraud indicators were in the areas of the Senior Administrative Officer's functions and responsibilities, which he was able to exploit. The fraud indicators, both systemic and personal, were:

(a) (Systemic) No separation existed between the functions that the Senior Administrative Officer was called upon to perform or for which he volunteered. He had four distinct functions in one portfolio of projects: budget, finance, accounting and the focal point for auditors. Those four functions (including his authority to certify expenditures on projects) in the one portfolio meant that he could hoard information, suppress transparency and deflect attention away from his own activities;

(b) (Systemic) UNCTAD carries a "pool fund", the "Terminated Project Account". Funds posted to such an account soon lose their project identity. The Senior Administrative Officer was able to debit that account of unidentifiable funds to repay the debits he had lodged against real, false or completed projects. It is also a

systematic high risk for an organization to let such an account accumulate large reserves;

(c) (Systemic) The certifying and approval functions had become routine and did not engender questions. In particular, the Senior Administrative Officer was able to completely control the requesting and certifying functions in UNCTAD, and to exploit the United Nations control system at the UNOG approval point;

(d) (Systemic) The control system allowed the Senior Administrative Officer to collect the cheques payable to others from the FRMS cashier. Moreover, he was the only senior officer who regularly collected cheques from FRMS;

(e) (Systemic) The absence of substantive documentation supporting his certified MODs was questioned only rarely and not at all in recent years. The fact that the approving officers accepted his certification without requiring the signature of the requisitioner of the expenditure allowed the Senior Administrative Officer to both initiate and authorize those expenditure requests;

(f) (Systemic) When the project data sheet (PDS) was designed, the Senior Administrative Officer argued successfully that the sheet should not contain any data on travel;

(g) (Systemic) The lack of coordination between the certifying function in UNCTAD and approving function in UNOG was a serious flaw. As explained below, FRMS did not possess a substantive list of UNCTAD projects, and could not properly verify whether or not the information the Senior Administrative Officer provided on his documents was true. Since United Nations Development Programme (UNDP) and UNCTAD lists contained discrepancies, the lack of a list of project numbers in FRMS was only emblematic of the larger project control problem in the UNCTAD Administrative Service;

(h) (Systemic) The United Nations obviously does not have a well developed and well publicized policy for dealing with alcoholism and other forms of addictions. Therefore, employees do not know how to deal with such cases among colleagues;

(i) (Personal) It was common knowledge among his colleagues in UNCTAD and UNOG and well known to his supervisor that the alcoholism of the Senior Administrative Officer was making him irresponsible and affecting his performance;

(j) (Personal) It was common knowledge that the Senior Administrative Officer was spending well above his means, particularly to pay for couturier clothing, alcohol, overseas golfing trips, golf membership, real estate, alimony and social occasions;

(k) (Personal) The Senior Administrative Officer was notorious for his sloppy work, his poor accounting methods, and unexplained debits and credits in his journal vouchers, which he insisted on compiling himself. His work was of such a low standard that it was euphemistically known as the "system Senior Administrative Officer";

(l) (Personal) The Senior Administrative Officer used to loudly describe his sexual encounters both within and outside the United Nations;

(m) (Personal) The Senior Administrative Officer was known for seeking pity by inventing personal catastrophe stories. His own supervisor, the Chief of Administrative Service, recounted to the investigators that once the Senior Administrative Officer was crying in his office. When asked why he was in such despair, the Senior Administrative Officer explained that he had a daughter who was suffering from a terrible drug addiction problem. The Chief of Administrative Service was so affected that he started crying himself. The next day the Chief learned that the whole story was a lie.

IV. Obvious deviations: how they were overlooked

14. There are two ways that the Senior Administrative Officer's scheme could have been discovered: first, it could have been discovered at the initiation point when he obligated funds for a fictitious meeting; second, it could have been discovered at reconciliation time when he submitted his journal vouchers at the end of each month or when the PDS showed an unexplained expenditure.

15. In the first case, namely discovery of the fraud at the beginning of the process, the Senior Administrative Officer never submitted any substantive documentation with his claims. It is clear and incontestable, in the case of UNCTAD, that DSA expenditures for experts attending a conference at Geneva can emanate only from a project officer who carries the substantive responsibility of implementing the project, and that a Senior Administrative Officer cannot be allowed to initiate the expenditure without substantive imprimatur. Yet in at least 59 cases in nine years, the Senior Administrative Officer presented certified obligations for such expenditures without that substantive imprimatur.

16. The Chief of Administrative Service told the investigators that he could not review the work of a Senior

Administrative Officer because the responsibility for such certification was personal under the financial rules. However, that rule does not — and cannot — be held to mean that certifying officers are not subject to supervision. The Chief claims that he never reviewed the Senior Administrative Officer's work despite his growing alcohol-related problems. That abrogation of the supervisory responsibility of a Chief allowed the scheme to grow and continue.

17. While there is evidence that the FRMS approving officers attempted, at least initially, to seek substantive documentation from the Senior Administrative Officer, they did not rigorously follow up in their attempts, nor did FRMS require proof by signature and other documentation of the actual payment to the experts, nor did FRMS reject his irregular journal voucher submissions.

18. In the case of the second instance, namely discovery at reconciliation time, the Senior Administrative Officer was renowned for submitting incomprehensible journal vouchers, which when closely examined by the investigators, revealed the fraud. Yet those journal vouchers, with all their erasures and lack of explanation, were also approved by the Senior Administrative Officer's focal point at FRMS. Interestingly, in 1984 the external auditors forwarded audit observations to UNCTAD, expressing concern about unexplained debits and credits in journal vouchers. But since the Senior Administrative Officer had volunteered to be the focal point for those and other auditors, he was given the responsibility of responding to the observations. On that occasion, he simply replied that the Administrative Service would be more diligent in its accounting. No follow-up was carried out to verify whether or not the Administrative Service of UNCTAD did become more diligent in its accounting, and it is clear that it did not.

19. Some UNCTAD project officers candidly told the investigators that the Senior Administrative Officer was known as the "fix-it" man, and that sometimes they had to contact him when they discovered that their project reports indicated an unexplained expenditure or shortage of funds. The Senior Administrative Officer would either rebuff their requests or advise that an error had been made in the project number, and he would re-establish the missing funds to the project account. Usually, this satisfied the concerned project officer. However, the project officers who explained those events were also those who examined the PDSs. Others who did not examine the PDSs could not have known that their projects' finances were being manipulated. At the substantive level, a lack of close monitoring of project expenditures by the project officers contributed to a breakdown in the control system.

20. In addition, there is one critical way in which the Senior Administrative Officer could have been prevented from continuing to perpetrate his fraud, namely by removing his authority to certify. It is interesting to note, from the list of fraud indicators, that in 1995 the Senior Administrative Officer was identified as no longer being a reliable staff member and was seen as chronically dysfunctional, with certified alcoholism. His own supervisor in UNCTAD, the Chief of Administrative Service, was aware of this since he had himself experienced the Senior Administrative Officer's lies and observed his behaviour on multiple occasions. He had sought to ease him out of the Organization on an agreed termination, and more to the point had ceased to appoint him as the Officer-in-Charge of Administrative Service in the absence of the Chief of Administrative Service, preferring to put a P-4 in charge. According to the Chief of Administrative Service, notwithstanding the Senior Administrative Officer's behaviour and state of health, he did not believe that he would have received the support from UNCTAD management to remove the Senior Administrative Officer from certifying status. There were sufficient grounds, however, based on the fraud indicators, for the Chief of Administrative Service to seek and obtain the support of UNCTAD's higher management to remove the Senior Administrative Officer from the list of certifying officers. The Chief of Administrative Service later stated that the Senior Administrative Officer had ceased to become his problem since he was under the care of the United Nations Medical Service, which would regularly clear him to return to work.

V. Responsibilities

21. Financial operations can be made to run satisfactorily provided that the system is supported by appropriate profile protocols, that is, clearly identifiable events, documents, procedures or activities that are designed to be followed so that any deviation will trigger an inquiry. Fraud risk specialists normally agree that without a sound mix of profile protocols, it is difficult to motivate those who are supposed to activate the control measures to increase the level of due diligence.

22. Within the framework of UNCTAD–UNOG, there were — at the time the Senior Administrative Officer was active — and there are still today the same profile protocols in existence, including the UNCTAD project/account number; the contents of the substantive memorandum submitted by the project officer who initiates a request for expenditure; the number of the obligating document; the

account against which the claim is made; and the monthly expenditures figures. These are some of the profile protocols or points of reference used by certifying and approving officers, in the exercise of their functions, to ensure that a claim for expenditure is legitimate. Needless to say, because expenditures in UNCTAD are based on the execution of projects, one of the most important and significant profile protocols is the project/account number. Not only is the assignment of the project number an important profile protocol in initiating expenditure but it also becomes an important point of departure in back-tracking the project's expenditure history. It is obvious that if those profile protocols are not coordinated when the two functions of certifying and approving are under the same roof, it can hinder the discovery of the potential for any illegitimate act. But when the two functions of certifying — in UNCTAD — and approving — in UNOG — are geographically and organizationally separated and those profile protocols are not coordinated, the risk of exploitation significantly increases.

23. In the course of the investigation, the OIOS investigators found it very difficult to locate information which identifies whether a project is active, completed or even fictitious. When the Senior Administrative Officer used a false project number, the investigators discovered how difficult it was to obtain concrete information which could unequivocally prove that such a project did not exist and had never existed. Indeed, many UNCTAD project officers, when shown those false project numbers, thought that such projects existed and even referred the investigation team to other project officers who they thought might be managing them. This occurred because both the numbers and the two or three word identifiers used by the Senior Administrative Officer were similar to those in use in UNCTAD. At one stage in the course of the investigation, it became necessary to request that UNDP provide a complete list of UNCTAD projects because UNDP was the funding source. That list was provided, but when it was checked against the UNCTAD projects list multiple inconsistencies were found. Difficulties were encountered, partly due to the long time period under scrutiny. Some projects were listed on the UNCTAD list which did not appear on the UNDP list, and vice versa. OIOS reconciliation of those inconsistencies had to be based on a combination of supporting documents — where they still existed — and the institutional memories of UNCTAD staff past and present. UNOG approving officers in FRMS were interviewed at the beginning of the investigation and asked if they had any lists of UNCTAD projects. They replied in the negative. FRMS approving officers had either manually compiled their own handwritten records of UNCTAD projects numbers, or because of the routine nature of approving expenditures on the same projects, had recalled certain features from the list based on previous expenditure claims by the UNCTAD project officers. Naturally, the approving officers' own projects list included some of the Senior Administrative Officer's false project numbers.

A. UNCTAD

24. Although for purposes of the criminal case it was sufficient to establish the Senior Administrative Officer's guilt by the evidence of his activities, in order to determine the underlying causes IS/OIOS examined operational deficiencies and hierarchical responsibility. The Senior Administrative Officer's autonomy was extreme, even after years of obvious alcoholism.

25. In an UNCTAD memorandum dated 9 August 1989 from the former Director for Programme Support and Management Services, the functions and responsibilities of the Administrative Service of UNCTAD are broadly described: "The Administrative Service has the responsibility for all commitments by UNCTAD in respect of staff recruitment contracts and of financial obligations for goods and services". The memorandum lists more specifically the responsibilities of the Administrative Service, including to receive all project implementation actions initiated in programme clusters/divisions involving project expenditures; to keep programme clusters/divisions informed of the action taken; to ensure that the annual mandatory revisions for UNDP projects are completed; to provide financial and personnel data regarding UNDP and trust fund projects required for the completion of PDSs; and to circulate the PDS on a regular basis to project officers.

26. In addition to the evidence provided in UNCTAD's policy documentation regarding its administrative arrangements for the Operations Unit, the Unit's product was a determining factor as to which supervisor held responsibility. When the Unit was concerned with assisting project officers in project input, for example, it is clear that the Unit would respond to the Chief of the Technical Cooperation Policy and Coordination Unit. However, when the Unit dealt with travel claims authorizations, DSAs, organizing meetings of experts and certifying obligations, it is clear that the Unit reported to the Chief of Administrative Service. In other words, the features of its output tended to characterize and identify the administrator responsible. It is also clear that the 59 fraud instances perpetrated by the Senior Administrative Officer fell

squarely within the control purview of the Administrative Service.

27. It is obvious, from the information contained in UNCTAD's own policy documents on administrative arrangements, that the Administrative Service holds the responsibility for the financial controls on project expenditures. With respect to supervision of any of the Senior Administrative Officer's requests to encumber the Organization's funds, legitimate or otherwise, it fell to the Chief of Administrative Service. Indeed, it was then and still is the Chief's responsibility to recommend the renewal of the official status of his staff in their capacity as Senior Administrative Officers so as to enable them to carry out the administrative duties that his office is required to fulfil. Neither the personal responsibility carried by each Senior Administrative Officer nor the assertion of the Chief of Administrative Service that he would not interfere with or involve himself in the assignments of the Senior Administrative Officer excuse his lack of supervision over the activities of this staff member. This is particularly the case from 1995, when by all accounts the Senior Administrative Officer's alcoholism was in regular evidence. The OIOS investigators found several fraud indicators upon which the Chief of Administrative Service could have relied to remove the Senior Administrative Officer's certifying authority.

28. Also, the absence of substantive documentation in the Senior Administrative Officer's obligating documents should have been cause for concern. UNOG approving officers stated that they had given up their attempts to obtain such documentation because, being General Service staff, they had been rudely rebuffed in the past and had no confidence in facing either the Senior Administrative Officer or his Chief. Based on their testimonies, it would appear that the relationship between FRMS in UNOG and Administrative Service at UNCTAD would not enhance the discovery of irregularities.

B. UNOG — FRMS

29. A clear deviation from the control system occurred on at least 59 occasions, when the Senior Administrative Officer presented a certified obligating document without any substantive documentation. The responsibilities of approving officers require that they ensure that all documentation necessary to justify the expenditure is supplied with the request. In interviews, FRMS staff members stated that when they questioned the Senior Administrative Officer on the missing documentation, he became either abusive or charming, depending on the person who asked. They stated that they had attempted on several occasions to seek documentation from the office of the Chief of Administrative Service of UNCTAD, and that they had been treated with disdain and rudeness. The designated approving officers at FRMS were mainly General Service staff, who felt too insecure and too low in the United Nations hierarchy to complain or approach anyone whom they could trust to undertake the necessary action. They admitted that they had not suspected that the Senior Administrative Officer was committing crimes but rather that he presented a "sad" and "pathetic" case of alcoholism.

30. The investigators assess that while it may be true that concerned FRMS staff who were approving the Senior Administrative Officer's obligations may have lacked the necessary courage or confidence, it is evident that the absence of substantive documentation should have been sufficient grounds for disapproving payment. Also, it is not clear to the investigators why it did not become apparent over the years to the approving officers, who approved the Senior Administrative Officer's obligations at the beginning of the process and who also approved his journal vouchers at the end of the process, that there was an obvious connection between the Senior Administrative Officer's obligations raised and the debits and credits entered in his journal vouchers.

VI. Findings

31. The Senior Administrative Officer had engaged in conduct which was demonstrably criminal, over a period of more than a decade, which caused a loss to the Organization of SwF 730,000, and which went undetected by the internal control systems of both UNCTAD and UNOG.

32. The Senior Administrative Officer abused his position as head of the Operations Unit of Administrative Service of UNCTAD to perpetuate his scheme, and violated the trust placed in him as a Senior Administrative Officer.

33. The Senior Administrative Officer had an admitted and obvious alcoholism problem, which his supervisors and colleagues observed had become worse over time and which led them to ignore his apparently dysfunctional and unprofessional conduct.

34. Without mitigating his personal responsibility, the Senior Administrative Officer was enabled to achieve his scheme by the failure of his supervisor, the Chief of UNCTAD's Administrative Service, to take action to remove his certifying authority, even after discovery of the scheme,

and by the failure of the UNOG approving officers to challenge his unorthodox submissions.

35. The autonomy accorded to the Senior Administrative Officer by the UNCTAD Administrative Service foreclosed the normal checks and balances that both supervision and separation of functions would have afforded UNCTAD.

36. The mechanical approvals of the Senior Administrative Officer's submissions to FRMS/UNOG demonstrated a lack of appropriate management oversight, resulting from the lack of UNOG financial exposure; the unclear demarcation of responsibilities between UNCTAD's Administrative Service and UNOG's FRMS by General Service staff who were the approving officers; and failure to challenge a P-5 level Senior Administrative Officer.

37. The lack of coordination and clearly defined authorities and responsibilities between UNCTAD and UNOG for administrative/financial functions not only assisted in the success of the Senior Administrative Officer's scheme but also contributed to confusion on the part of staff members about the scope of their functions.

VII. New management initiatives (responses by management)

38. In response to a detailed report given to UNCTAD and UNOG programme managers, both organizations have noted that they agree with the findings of OIOS, and have advised OIOS of their corrective measures as described below.

A. UNCTAD

39. UNCTAD has advised OIOS as follows:

(a) As the outcome of further review within UNCTAD and discussion with UNOG, the following additional procedures have been or are being implemented:

(i) Supervision over financial operations was formally strengthened after the Senior Administrative Officer affair was discovered by designating the Chief, of the Administrative Service as the main certifying officer for UNCTAD, with all other certifying officers designated as alternates to the Chief;

(ii) Future journal vouchers will bear the initials/signatures (a) of at least two *different* officials in UNCTAD — the staff member preparing them and the certifying or alternate certifying officer, and (b) of the approving officer in FRMS/UNOG;

(iii) Pending a decision on which office will issue allotment advices (i.e., Office of Programme Planning, Budget and Accounts/New York, FRMS/UNOG or UNCTAD itself), all approved UNDP project documents will be copied to FRMS/UNOG. Furthermore, no expenditure will be processed until FRMS/UNOG acknowledges receipt and entry of the financial data into their computer;

(iv) In connection with current PDSs, it should be noted that these include more information than is required for reporting to UNDP. For example, the PDS includes (a) in addition to the financial position at the end of the month, lists of current year and prior year obligations (which project officers use in order to identify obligations no longer necessary); (b) lists of consultants and experts employed on the project concerned, together with the periods of their contracts and nationality; and (c) graphic representation of how those contracts are scheduled for the current year. At the same time, with a view to making the PDS as user-friendly as possible, a small group, including three or four project officers and the Administrative Service, will review the PDS and propose any changes that it may feel are called for;

(v) The monthly allotment reports provided by UNOG to UNCTAD will be copied to the project officers together with PDSs, thus giving project officers the opportunity to confirm or correct PDS contents;

(b) It is understood that the above procedures will have to be reviewed as the financial side of the Integrated Management Information System (IMIS) is introduced in the course of 1999.

40. OIOS will monitor UNCTAD implementation.

B. UNOG

41. UNOG advised OIOS as follows:

(a) Two broad issues deserve comment. One was formally raised in the report, which is the issue of controls, and the other, which permeates the report and was raised in an OIOS management report on UNCTAD, is the issue of delegation of authority and delineation of responsibilities between UNOG and UNCTAD;

(b) On the issue of controls, UNOG has taken a series of measures (most of them very shortly after the fraud discovery) aimed at correcting a number of practices which

were not consonant with proper financial controls. In particular, the following control measures have been introduced:

(i) No obligation documents are accepted for recording purposes without the proper substantive documentation as justification for the request from departments. In cases where the required justification is not attached with the obligation document, then the responsible approving officers at FRMS request such attachments from the departments. All obligation documents without supporting justification are rejected;

(ii) All journal entry vouchers are carefully checked for validity and correctness. Any such vouchers not conforming to United Nations financial regulations and rules are questioned, and the departments concerned are requested to provide appropriate clarifications/corrections, as needed;

(iii) UNCTAD is now sending UNOG regularly and in a timely fashion the list of its projects to allow FRMS to verify the project reference numbers shown on the obligation documents;

(iv) With the introduction of an automated payment system via the bank, there are fewer cheques issued by the Treasury. UNOG also has an automated payment system for travel claims settlements, consultancy payments and vendor payments. The few cheques that are issued are now *non-negotiable* cheques, which *can only be cashed by the payee whose name appears on the cheque*;

(v) Instructions for cheque distribution and maintenance of control records for the Cashier's office have been issued;

(vi) Similarly, procedures are in place for the cancellation of cheques;

Furthermore, UNOG has taken due note of the above-mentioned list of fraud indicators, which it is using as a checklist to ensure that FRMS carries out its tasks in a more responsible manner and thereby avoids similar cases in the future;

(c) The issue of the delegation of authority and delineation of responsibilities between UNOG and UNCTAD is more complex since it may involve changes in the delegation of authority currently granted to UNCTAD both in the human resources and budget/finance fields. The approach to possible solutions seems to have evolved: on the one hand there originally appeared to be an intention to regroup in UNOG some of the functions/authority currently exercised by UNCTAD in the human resources and budget/finance fields, while on the other hand more recently there has been a definite call for more authority to be delegated to heads of departments in those fields.

42. OIOS will monitor UNOG implementation and follow-up on the issues raised.

VIII. Recommendations

43. The following are the recommendations of the present report:

Recommendation 1

UNOG and UNCTAD should form a joint administrative task force to meet regularly to ensure full discussion of issues. In the view of OIOS, a number of the deficiencies, such as the lack of project information from UNCTAD to UNOG, could have been easily corrected had the parties met regularly (IV96/071/01).

Recommendation 2

Managers in the UNCTAD Administrative Service and the UNOG Administration should review the qualifications and standing of all persons delegated to have either certifying and approving authority, mindful of the fraud indicators listed in the present report (IV96/071/02).

Recommendation 3

Managers in the UNCTAD Administrative Service and the UNOG Administration should supervise the activities and functions of all certifying and approving officers which can be done within the supervisory responsibilities of managers, without affecting the personal responsibility assigned to such officers under United Nations financial rules (IV96/071/03).

Recommendation 4

The Swiss court order allows the United Nations to recover all funds illegally obtained by the Senior Administrative Officer. UNOG and UNCTAD should undertake steps, with OIOS help, as appropriate, to identify his other assets to recover all of the stolen funds (IV96/071/04).

Recommendation 5

For monthly project reports to UNCTAD project officers, each responsible officer should be requested to acknowledge the accuracy of the information contained, and should be provided with the opportunity to question any of the information in writing on the document (IV96/071/05).

Recommendation 6

UNOG approving officers should be given detailed retraining on their obligation to challenge any and all documents received which do not conform to requirements, regardless of the grade level or title of the requesting official (IV96/071/06).

Recommendation 7

UNOG should develop a meaningful programme for the management of alcohol-related problems in Geneva-based offices (IV96/071/07).

Recommendation 8

The two General Service staff members who first identified the problem in this case should be officially acknowledged for their significant role, not only in reporting this scheme but also in demonstrating by their actions that they understand that the Secretary-General's reform programme also means personal accountability. Although OIOS does not normally name staff members in its reports, OIOS, with the management of UNCTAD, believes that the General Assembly may wish to take note of the contribution of the two UNCTAD staff members, Grace Ipak and Martine Eichenbaum (IV96/071/08).

44. Consultations between the investigators and managers of both entities have led to the development and the commencement of implementation of the key recommendations of the present report. As a result of this case, senior managers of both UNCTAD and UNOG have undertaken reforms to correct the vulnerabilities identified. The Senior Administrative Officer was terminated by the Organization. Following the secondment of the Chief of Administrative Service to another international organization at the Assistant Secretary-General level, UNCTAD management has committed its new Chief to reviewing its administrative operations.

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General
for Internal Oversight Services